

**COMMONWEALTH OF VIRGINIA  
STATE AIR POLLUTION CONTROL BOARD**

**NOTICE OF  
PUBLIC COMMENT PERIOD FOR  
PROPOSED REGULATION REVISION D98  
CONCERNING**

**NO<sub>x</sub> EMISSIONS BUDGET TRADING PROGRAM  
(9 VAC 5 CHAPTER 140)**

**July 16, 2001**

Notice is hereby given in accordance with § 9-6.14:7.1 of the Code of Virginia and the requirements of Section 110(a)(1) of the federal Clean Air Act that the State Air Pollution Control Board intends to amend regulations entitled: Regulations for the Control and Abatement of Air Pollution, specifically the regulatory provisions cited below. The regulations establish limits for sources of air pollution to the extent necessary to attain and maintain levels of air quality as will protect human health and welfare.

**PRIMARY ACTION**

Regulation for Emissions Trading, 9 VAC 5 Chapter 140 (9 VAC 5-140-10 et seq.).

**SECONDARY ACTION**

None

**SUMMARY**

The major provisions of the proposal are summarized below:

1. The regulation applies to electric generating units (EGUs) with a nameplate capacity greater than 25 MWe and non-electric generating units (non-EGUs) above 250 mmBtu, hereafter referred to as the core source categories. A "unit" is defined as a fossil fuel-fired stationary boiler, combustion turbine, or combined cycle system.
2. Core sources smaller than 25 tons/per/season (tps) are exempt.

3. Smaller sources within the core source categories are not mandated to be included in the program; however, smaller sources within the core source categories are allowed to opt-in to the program.
4. Initial allocations for core source categories is based on heat input multiplied by the core emission rate normalized over the state budget. The core emission rate for EGUs is 0.15 lb/mmBtu; for non-EGUs, 0.17 lb/mmBtu.
5. Subsequent allocations are issued annually beginning April 1 of each year for a specific year, projected 10 years in the future.
6. Baseline heat input (used to calculate allocations) for existing core sources is determined by averaging the two highest years of the immediate preceding 5 years.
7. Baseline allocations for permitted sources is based on the more stringent of the core emission rate or permit limits.
8. Sources may bank any allowances not used during a specific control period.
9. A compliance pool is established which allows for allocations from the pool for early reductions and on a "needs" basis. Allocations from the pool will be distributed to the sources prior to May 31, 2004. Allocations from the pool are valid for two years.
10. Sources that opt-in the program have a separate budget. Baseline determined for opt-ins is based upon the previous year's emissions.
11. All sources participating in the program, including those that chose to opt-in, must meet the monitoring requirements of 40 CFR Part 75 of the Code of Federal Regulations.

### **LOCALITIES AFFECTED**

There is no locality which will bear any identified disproportionate material air quality impact due to the proposed regulation which would not be experienced by other localities.

### **STATUTORY AUTHORITY**

The authority for the adoption of the regulation is § 10.1-1308 of the Virginia Air Pollution Control Law (Title 10.1, Chapter 13 of the Code of Virginia) which authorizes the Board to promulgate regulations abating, controlling and prohibiting air pollution in order to protect public health and welfare.

## **PUBLIC PARTICIPATION INFORMATION**

### **REQUEST FOR COMMENTS**

The purpose of this notice is to provide the public with the opportunity to comment on the proposed regulation and the costs and benefits of the proposal. All comments must be received by the Department by 4:30 p.m. September 14, 2001 to be considered. It is preferred that all comments be provided in writing to the Department, along with any supporting documents or exhibits; however, oral comments will be accepted at the hearing. Comments may be submitted by mail, facsimile transmission, e-mail, or personal appearance at the hearing mentioned below; however, all written comments not provided at the hearing must be submitted to the agency contact listed below. Comments by facsimile transmission will be accepted only if followed by receipt of the signed original within one week. Comments by e-mail will be accepted only if the name, address, and phone number of the commenter are included. All testimony, exhibits and documents received are a matter of public record.

### **PUBLIC HEARING**

A public hearing will be held by the Department of Environmental Quality to accept public testimony on the proposed regulation amendments. The date, time and location of the hearing is shown below:

August 22, 2001

10:00 a.m.

Conference Room, Lower Level, Main Street Centre, 600 East Main Street, Richmond, Virginia

### **ACCESSIBILITY TO PERSONS WITH DISABILITIES**

The hearing is being held at a public facility believed to be accessible to persons with disabilities. Any person with questions on the accessibility of the facility should contact Ms. Alma Jenkins at the Office of Air Regulatory Development, Department of Environmental Quality, P.O. Box 10009, Richmond, Virginia 23240, or by telephone at (804) 698-4070 or TDD (804) 698-4021. Persons needing interpreter services for the deaf must notify Ms. Jenkins no later than August 8, 2001.

### **AGENCY CONTACT**

The Department contact for any questions about the proposal or this notice is:

Mary E. Major  
Environmental Program Manager

Office of Air Regulatory Development  
Department of Environmental Quality  
P.O. Box 10009  
Richmond, Virginia 23240  
phone: (804) 698-4423  
fax: (804) 698-4510  
email: mlmajor@deq.state.va.us

## **LOCATION OF PROPOSAL**

The proposed regulation and associated agency background document (containing: a statement of purpose, a statement of estimated impact and benefits of the proposed regulation, an explanation of need for the proposed regulation, an estimate of the impact of the proposed regulation upon small businesses, identification of and comparison with federal requirements, a discussion of alternative approaches, and a schedule for periodic review) are available on the Department's web site ([www.deq.state.va.us](http://www.deq.state.va.us)). These documents and any other supporting documents may also be examined at the Department's Office of Air Regulatory Development (Eighth Floor), 629 East Main Street, Richmond, Virginia and at the Department's regional offices (listed below) between 8:30 a.m. and 4:30 p.m. of each business day until the close of the public comment period.

Southwest Regional Office  
Department of Environmental Quality  
355 Deadmore Street  
Abingdon, Virginia  
Ph: (540) 676-4800

West Central Regional Office  
Department of Environmental Quality  
3019 Peters Creek Road  
Roanoke, Virginia  
Ph: (540) 562-6700

Lynchburg Satellite Office  
Department of Environmental Quality  
7705 Timberlake Road  
Lynchburg, Virginia  
Ph: (804) 582-5120

Valley Regional Office  
Department of Environmental Quality  
4411 Early Road  
Harrisonburg, Virginia 22801  
Ph: (540) 574-7800

Fredericksburg Satellite Office  
Department of Environmental Quality  
806 Westwood Office Park  
Fredericksburg, Virginia 22401  
Ph: (540) 899-4600

Northern Regional Office  
Department of Environmental Quality  
13901 Crown Court  
Woodbridge, Virginia  
Ph: (703) 583-3800

Piedmont Regional Office  
Department of Environmental Quality  
4949-A Cox Road  
Glen Allen, Virginia  
Ph: (804) 527-5020

Tidewater Regional Office  
Department of Environmental Quality  
5636 Southern Boulevard  
Virginia Beach, Virginia  
Ph: (757) 518-2000

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